

<b>DEFINITIONS</b>
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**Annual Appraisal** – the performance evaluation conducted once a year that goes in an employee's permanent record.

**Appointing Authority** – Agency head or their designee who is responsible for final review and authorization of performance appraisal. A performance appraisal is not final until signed by this individual.

**BARS** –Stands for Behaviorally Anchored Ratings Scale. It is the set of observable or measurable behaviors against which employees are evaluated to measure performance on General Factors.

**Does Not Meet Expectation** – the performance rating given to employees who fail to achieve any one or more key performance expectations or cannot demonstrate proficiency in the General Factors needed for the job.

**Evaluator** – the first line supervisor responsible for conducting the performance management process.

**Exceeds Expectation** – the performance rating given to employees who routinely go beyond what is expected in order to substantially surpass all of their key performance expectations and will have met or exceeded expectations on the General Factors.

**General Factors**– the behavioral skills and competencies required for success. Some general factors are universal for all state employees; others are discretionary, based on competency needs of the classification and agency.

**Goal/Objective** – statement of desired outcome or result along with the plan to achieve the desired outcome. A goal or objective should be SMART --Specific, Measurable, Achievable, Relevant, and Timely. Performance expectations are expressed as goals or objectives.

**Individual Performance Plan** – the identification of performance expectations, developmental needs, and required competencies for an employee in the upcoming review period. The Performance Plan is documented on the **Employee Work Profile** form.

**Interim Appraisal** – evaluations conducted during the annual review period for communication purposes or to re-evaluate an employee's performance plan. It is recommended that an interim appraisal be done at least once in the middle of the review period.

**Meets Expectation** – the performance rating given to employees who (1) are fully successful in meeting all of the performance expectations that are important to his or her job and (2) will have demonstrated a satisfactory competence in the General Factors.

**Performance Expectations** – the set of criteria by which an employee's performance will be evaluated, expressed as outcome-based, measurable goals or objectives.

**Reviewer** – the individual who reviews all written appraisals to ensure that they are objective, accurate and supported by facts. Typically the reviewer is the intermediate supervisor or member of human resources staff.

**Review Period** – the period of time over which the performance of the employee is assessed in a performance appraisal. That review period is typically the calendar year (January 1 through December 31), except in cases of new hires and certain leaves of absence.

**Work Improvement Plan** – an explicit action plan designed to correct performance deficiencies within a specified time period.

## RESPONSIBILITIES

Employees are responsible for:

- Participating in all phases of the performance management process to include understanding their performance expectations, how the performance expectations will be measured, and how the performance expectations relate to the Agency's strategic objectives;
- Performing their work in a way that meets or exceeds performance expectations;
- Communicating successes and problems to their supervisors to assist their supervisor in measuring their progress; and
- Asking questions about their job, their performance expectations and the performance measures whenever they need clarification or additional information.

Employer is responsible for:

- Establishing an Agency strategic plan which is tied to the Administration's strategic objectives and communicating the agency's plan to employees frequently;
- Translating the Agency strategic plan into individual employee goals that are specific, measurable, achievable, and framed as outcomes or results;
- Meeting with every employee at least annually to set measurable performance goals and documenting the goals on the Work Profile;
- Providing regular, frequent coaching and feedback to employees;
- Identifying development needs of each employee and establishing plans to address those needs;
- Conducting an annual written performance appraisal pursuant to the policy and procedure established by the State; and
- Conducting an interim performance appraisal whenever warranted, but in any case where performance issues indicate a work improvement plan is necessary, and when an employee transfers, demotes or promotes resulting in a move to a new supervisor.

## PROCEDURE

### **Elements of the Performance Management Process**

At the beginning of the Review Period, the supervisor and the employee shall meet to complete the employee's Work Profile [(State Form 52469) [Word](#) | [PDF](#) ]. The Work Profile will contain (1) the employee's performance expectations written as specific, measurable, achievable, outcome based goals linked to the agency's strategic objectives and (2) the

competencies (General Factors) which the employee will need to demonstrate in order to be successful.

Routinely, the supervisor and employee will track the employee's progress toward achieving the performance expectations using the measures specified on the Work Profile. This information will enable the supervisor to provide regular specific feedback and coaching. It also will provide the employee with an opportunity to ask questions and clarify expectations, measurements, and how they relate to the Agency's strategy.

Every supervisor is encouraged to meet with each employee at least once at the middle of the review period to conduct an interim performance appraisal. The purpose of this meeting is to make any adjustments in the performance expectations given the direction and priorities of the Agency, discuss the employee's progress toward each of the performance expectations and initiate action toward improvement, if needed. It is recommended that this discussion be documented on the Interim Performance Appraisal [(State Form 52404) [Word](#) | [PDF](#)]. If the employee is assessed as Does Not Meet Expectations for a performance expectation or significant General Factor, the supervisor should implement a Work Improvement Plan [(State Form 52405) [Word](#) | [PDF](#)]. Supervisors must complete an Interim Performance Appraisal when an employee transfers, promotes or demotes, resulting in a move to a new supervisor.

At the end of the review period, the supervisor must complete the performance appraisal using the appropriate form [(State Form 52402) **Non-Supervisory/Non-Exempt Employees** [Word](#) | [PDF](#), (State Form 52401) **Executive, Supervisory & Managerial** [Word](#) | [PDF](#) and (State Form 52403) **Non-Supervisory Professional** [Word](#) | [PDF](#)]. The appraisal should only be drafted after the supervisor has met with the employee to collect information about accomplishments based on the goals and metrics established in the Work Profile and has reviewed all of the information in the supervisor's fact file. The supervisor must rate each performance expectation and general factor using the ratings of Meet Expectations, Exceeds Expectations or Does Not Meet Expectations. The supervisor will also rate the employee's overall performance for Performance Expectations and the overall performance on the General Factors. Then, the supervisor will rate the employee's total performance. The appraisal is sent to the Reviewer for review and comments. Once the Reviewer is satisfied the appraisal is sent to the Appointing Authority or a delegate for a global review of all appraisals in the agency to ensure that consistent standards have been applied. The Appraisal is deemed complete when the Appointing Authority or his/her delegate approves the Appraisal. It is then returned to the supervisor who will then schedule a meeting to review it with the employee.

### **Rating Scale**

The State Personnel Director has established a uniform rating scale consisting of three levels, and it shall be used by every Agency covered by this Policy and Procedure. The three ratings are: Meets Expectations, Exceeds Expectations, and Does Not Meet Expectations. They are defined in the Definitions section above. An employee who receives an overall Does Not Meet Expectations rating should be placed on a Work Improvement Plan or at the discretion of the Appointing Authority, be reassigned to a position which better suits the employee's skills, which may result in a demotion or salary reduction, or if prior efforts to improve performance have failed be terminated.

## **Distribution of Ratings**

Grade inflation is a common side effect of performance appraisals. As a way to monitor management in setting appropriate performance expectations and standards and objectively assessing performance against those standards, the State expects to see a normal statistical distribution of ratings in the state employee population. It also is important for budgeting purposes that the State adheres to a normal distribution, given that the ratings are tied to increases in base pay. In such a distribution, 80% of the population should be arrayed around the middle grade, which is Meets Expectation, with 10% at either end.

## **Pay for Performance Increases**

Each year the State Personnel Director, Budget Director and the Governor will determine the pay increases associated with the overall rating scale.

**New Hires:** Employees who commence State employment after January 1 but before July 1 in a review period will receive a full performance increase.

Employees who commence State employment after July 1 will not receive a performance increase. Instead they would be eligible to receive an increase the following year.

## **Special Circumstances**

**Medical Leaves:** Employees on family medical leave (FML) should be treated just like employees actively at work for purposes of the Review Period and the completion of performance appraisals and pay for performance increases.

Employees on short term disability leave who have exhausted family medical leave shall have their performance appraisals completed on the standard schedule described above, but the employee will not receive a pay for performance increase until the employee returns to work. The increase will be effective on the first full pay period after the employee's return to work.

Employees on long-term disability will not receive a performance appraisal or pay for performance increase. Employees returning to work from long term disability will be treated like New Hires as stated above.

**Military Leaves:** Employees on military leave will have their performance appraisals completed and receive pay for performance increases as if they were at work. If an employee is on military leave for an entire review period, his or her overall rating will be the same as it was prior to taking military leave. In order for this procedure to be effective supervisors must evaluate employees at the time the leaves are approved.

<b>REFERENCES</b>
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IC 4-15-1.8-7

IC 4-15-2-6

IC 4-15-2-27

**Additional Information**

The State Personnel Department maintains a Performance Management page on its web site and all employees are encouraged to visit it frequently for up-to-date information. It is [www.jobs.in.gov/performancemanagement](http://www.jobs.in.gov/performancemanagement).

State Personnel also offers training on Performance Management. Check the SPD web site at [www.jobs.in.gov/training/](http://www.jobs.in.gov/training/)